GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:5704
ANSWERED ON:30.08.2001
REMOVAL OF QRS ON AGRICULTURAL TRADE
PUSHPDAN SHAMBHUDAN GADHAVI

Will the Minister of AGRICULTURE be pleased to state:

(a) whether free market system in agriculture is not inconsistent with WTO;

(b) if so, the reasons for not adopting the system in 1995 when the Government accepted to remove Quantitative Restrictions;

(c) whether Quantitative Restrictions in foreign trade have been removed before the free market mechanism in agriculture; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD Y. NAIK)

(a) to (d): The Uruguay Round Agreement on Agriculture came into being with the long-term objective ofestablishing `a fair and market-oriented agricultural trading system`. Towards this end, disciplines were mandated in the 3 areas of market access, domestic support and export subsidies. India is signatory to the WTO and the various agreements thereunder including the Agreement on Agriculture, which came into force on 1st January, 1995. One of the objectives of the WTO is a `tariffs only` regime through ageneral elimination of all non-tariff barriers to trade including quantitative restrictions. At the time of signing the Uruguay Round of Agreements, India was under balance of payments cover and hence, was maintaining quantitative restrictions. Accordingly, it had not undertaken any commitments under `market access` in the Agreement on Agriculture, except for offering ceiling bindings on agricultural commodities.

The Government has been following a consistent policy of liberalisation of trade and removal of restrictions on export and import items since 1991. Quantitative Restrictions on import of all agricultural commodities have been removed w.e.f. 1.4.2001. The Government has put in place a suitable mechanism for monitoring the imports of agricultural commodities, and is committed to providing protection to the domestic farmers, by resorting to the various WTO compatible measures which include appropriate calibration of applied tariffs within the bound levels, imposition of anti-dumping, countervailing duties and safeguard action under certain specified circumstances. Further, imports of agricultural products like wheat, rice, maize, other coarse cereals, copra and coconut oil have been placed in the category of State Trading.

The Government removed quantitative restrictions on export of sugar. Wheat products have also been allowed for export without any quantitative ceilings for the current year 2001-2002. However, there are certain agricultural items which are either under quantitative ceilings for exports or their exports are allowed only through the designated state trading enterprises, for example, pulses, wheat, grain and flour of barley, maize, ragi bazra and jowar, onions, niger seeds etc.